

**LEASE SCHEDULE NO. 1**

to Master Lease Agreement dated August 31, 2012 (the "Lease")  
between Veterans Capital Corp and ASC Lease Income, LLC ("Lessor")  
and Arland Clean Fuels, LLC and Arland Energy Systems, LLC ("Lessee")

**EQUIPMENT:**

Quantity	Description (Make, Model, and Serial No.)
One	New Poly Conversion 40 Ton Thermal Dynamic Liquefaction System, Serial # SP-40-T to include all parts, equipment, designs, engineering and other materials that become a part or attached to the System. See attached Schedule "A".

**EQUIPMENT LOCATION:** 437 South Main Street, Cheboygan, MI 49721

**LESSOR'S CAPITALIZED COST:** \$900,000.00

*"Lessor's Capitalized Cost" shall mean the sum of the purchase price of the Equipment, sales and/or use tax if applicable, installation costs, delivery costs, and buy-out of a previous lease if applicable.*

**LEASE COMMENCEMENT DATE:**

The term of this Lease Schedule shall begin on the date Lessee executes a Certificate of Acceptance (the "Lease Commencement Date") and shall continue for a period of thirty six (36) months beginning on \_\_\_\_\_ (the "Initial Term Start Date").

**INITIAL TERM:**

36 months

**LEASE RENTAL PAYMENT:**

Lessee shall pay as monthly rental during the Initial Term of \$31,908.60 plus applicable taxes, which amount shall be due and payable on the same day of each month as the Initial Term Start Date. If applicable, rental per day for the period from the Lease Commencement Date or the Initial Funding Date to the Initial Term Start Date shall be equal to 1/30th of the monthly Lease Rental Payment pro-rated to the amount funded by the Lessor and shall be due upon receipt of invoice from Lessor.

**PURCHASE OPTION**

The Lessee shall purchase all but not less than all of the Equipment/System for the then Fair Market Value which shall not exceed 43% of the then total Fair Market Value of the entire System and Equipment.

 Initials

EQUIPMENT DISCLAIMER AND AGREEMENT:

Lessee hereby acknowledges that we are aware of our obligations with reference to the Lease, and that we agree to enforce in our own name all warranties, agreements, or representations, if any, which may be made by the supplier to us. We agree that Veterans Capital Corp and or its assigns makes no expressed or implied warranties as to any matter whatsoever, including without limitation the condition of the equipment, **ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE. NO DEFECT OR UNFITNESS OF EQUIPMENT SHALL RELEASE THE LESSEE OF THE OBLIGATION TO PAY RENTAL PAYMENTS OR OF ANY OTHER OBLIGATIONS UNDER THE LEASE.**

This Lease Schedule is issued pursuant to the Master Lease identified hereon. All the terms, conditions, representations, and warranties of the Master Lease are hereby incorporated herein and made a part hereof as if they were expressly set forth in this Lease Schedule, and this Lease Schedule constitutes a separate lease with respect to the Equipment described herein.

IN WITNESS WHEREOF, the parties below have caused this Lease Schedule to be executed by their duly authorized representatives as of this 24 day of September, 2012.

LESSOR:

LESSEE:

Veterans Capital Corp and ASC Lease Income, LLC

Arland Clean Fuels, LLC and Arland Energy Systems, LLC

[Signature]  
Authorized Signature  
Joseph Wold David G. Pendell  
Name  
President MGR, ASS LLC  
Title

[Signature]  
Authorized Signature  
Terry D. Gaouette  
Name  
Exec VP CR  
Title

**JOSEPH WOLD      DAVID PENDELL      TERRY GAQUETTE**

**SCHEDULE "A" to Lease Schedule No. 1  
to Master Lease Agreement No. 201208 dated August 31, 2012 (the "Lease")  
between Veterans Capital Corp and ASC Lease Income, LLC ("Lessor") and  
Arland Clean Fuels, LLC and Arland Fuel Systems, LLC ("Lessee")**

This Schedule "A" and any and all attachments incorporated herein become part of the Lease referenced above. Lessee hereby confirms all the terms of the Lease.

QUANTITY	MODEL NO.	EQUIPMENT DESCRIPTION <small>(Manufacturer's Serial No., other identification, indicate whether new or used equipment)</small>
One		One New Poly Conversion 40 Ton Thermal Dynamic Liquefaction System Serial # SP-40-T made up of but not limited to the following components: Dual Knife Valves, Hydraulic System, Air Compression, Vacuum, all Electrical Controls, Piping, Bearings, Heating Elements, Sensors, Hardware, Separation Columns (2), Heat Exchangers (4), Piping and Valves for Heat Exchangers, Chilled Water Systems (2), Skid Steer, Conveying System for intake and discharge, Two (2) 8,000 Gallon UL 142 Horizontal Double Wall Tanks, 2 MHW Gensets, Plastic Densifiers (4), Piping and Valves for Fuel, Hook Up and Switch Gears, Main Structure and any and all related equipment, designs, engineering and materials that becomes part of the above equipment and is a part of Lease Schedule #1 of the Master Lease.

This Schedule "A" is hereby verified as correct by the undersigned Lessee, who acknowledges receipt of a copy.